

ADVISORY COUNCIL MEETING

STATE ENERGY PLAN

Wednesday October 31, 2012

1:00 PM-2:30 PM

Narragansett Room

RI Economic Development Corporation

315 Iron Horse Way

Providence, RI

MINUTES

Attendees: Chris Kearns, Bob Chew Hannah Morini, Tim Faulker, Abigail Anthony, Jeff Broadhead, Julie Gill, Jerry Elmer, Wendy Lutz, Rachel Sholley, Mike Henry, Danny Musher, Linda George, Bill Ferguson, Julian Dash, Nancy Hess, Marion Gold, Kevin Flynn, Melissa Long, Anthony Politano, Peter Healy, Sheila Dormatry, Alison Rogers, Nick Ucci, Charles Hawkins

Office of Energy Resources (OER) Director, Marion Gold, began the meeting by greeting the members of the newly formed State Energy Plan (SEP) Advisory Committee (AC). She also wanted thank Julie Gill of the Oil Heat Institute for her assistance tracking oil supply during Hurricane Sandy.

Marion G. began by articulating the OER mission; which is to provide sustainable, secure, cost effective energy solutions to all sectors of the community. OER has recently entered into an MOU with RI Statewide Planning (SWP) to develop a strategic energy plan. URI will also be providing analytical & stakeholder assistance during the process. Governor Chafee has asked the OER to prioritize energy planning. He has directed his cabinet officials to cooperate with OER on the plan. This meeting will be about the process of developing the plan. She then invited SWP's Associate Director Kevin Flynn to speak about how the process works.

Kevin F. explained that SWP had two ways to develop plans that are to be included in the State Guide Plan (SGP). They can develop the plan in house, using their staff and resources. The other option is to have a client agency, like OER, do it. He prefers the second option because the OER now has the capacity and URI the analytical ability to do a draft plan. OER will be using left over ARRA funding to complete the draft plan. Marion G. said the goal was to have a well rounded AC with all key energy stakeholders represented. Marion G. then introduced Nancy Hess of SWP to explain the process.

The SEP will be incorporated into the SGP. This is a centralized long range planning document. It is guided by the State Planning Council (SPC), with consists of state and local representatives. It has the power to adopt the SGP. The SPC is guided by a Technical Committee, which is a body of state and municipal agencies that

represent different planning issue from across RI. It staffs the SPC.

When a draft plan has been finalized it goes to the Technical Committee for their review so they can recommend it to the SPC. This is the first step towards adoption. The SPC then follows the Administration Procedures Act and adopts the plan through a series of public hearings. The plan can then be revised if needed based on hearing testimony. The SPC then approves the plan for adoption into the SGP. It then will be reflected in each municipality's comprehensive plan. Marion G. is pleased by the legislative support the plan has received.

Marion G. then introduced SEP project leader, Danny Musher, to give a power point presentation (attached). Danny M. was the project leader of the Renewable Energy Sitting Partnership (RESP) which resulted in the first state energy data base Rlenergy.org. Danny M. wanted to thank AC members who have already submitted feedback. Safety & reliable will be key criteria. Energy also has to be affordable and it needs to be environmentally sound. Benefits include job creation, economic growth and regional competitiveness. It is important to have energy balance so jobs do not go to other states.

The scope of work of work includes: gathering data, using this data to set goals, and recommending action for the plan. The timeframe for the plan is 2013 by statute but the recommendations for this plan will go out to 2035. The project phases are: research and development

and data collection (December 2012-May 2013); preparation of a preliminary draft plan (June 2103-September 2-13); and finally technical & public review (October 2013-March 2014).

The data gathering step include setting a historic baseline of energy demand and supply by sector in the electric, heating and transportation sectors. The second task is to project this baseline into the future to establish a forecast. The third task is to look at the resources available. In other States, their SEPs have set high goals for RE.

The most important task is justifying the goals. Do the goals make sense? The last step is to recommned action. Bob C. asked about the job creation goal. He would like to benchmark how many RE jobs are here today and then look at how many RE jobs are then created each year to see if progress is being made. Marion G. mentioned that the OER has recently issues an RFP for a clean jobs report that will help in this process.

Groups that will be supporting the plan include: the Renewable Energy Coordinating Board (RECB), the Energy Efficiency and Resource Management Council (EERMC), the Petroleum Savings and Independence Advisory Committee, the SPC, the SPC Technical Committee, other state agencies, the National Association of State Energy Offices (NASEO) and examples of other state's energy plans. The AC will have monthly meetings to review the draft. Before each

meeting members will receive material to review and offer feedback. A matrix will be developed showing the schedule. Danny M. then opened up the floor for questions.

Marion G. wanted to emphasize that there are a lot of regional issues that need to be addressed. She mentioned the RECB, which includes five key cabinet members, interest in this plan; as well as the EERMC which is represented on the AC. She said that RI has some of the best RE laws in the US. Mike R. will represent NGrid. She asked Julie G. if someone from the gas industry should be at the table. She thought Joe Rose of the Propane Council would be good. Marion G. also wondered if low income interests were sufficiently represented.

Julie G. commented that the Energy Assurance Plan (EAP) and the ESF12 only deal with what happens in an energy emergency. Will the AC look at obstacles that occur in an energy emergency? One example is the way some hospitals are considered interruptible fuel. This results in a special rate from the gas company with the understanding that in an energy emergency that they will be shut down. There does not seem to be anything in place to override this scenario. Marion G. said the point was well taken and mentioned the EAP which digs deeper into energy emergencies and looks at gaps. It will be used as a jumping off point for the SEP.

Bill F. asked if the SEP would get input from third party gas suppliers like Hess. Bob C. wondered if one of the boxes should include the

shelter industry. Any new construction should be as EE as possible.

He felt that RI Code Commissioner Jack Leyden was doing a lot of progressive things in this area but there are holes in code compliance.

Nick U. of the PUC said that a lot of regional work was being done on natural gas structure and supply; especially as it relates to electric markets. A regional RFP has been issued to look at whether gas supply is adequate and should the infrastructure be expanded. This should provide important input to the AC. The New England states are also working on coordinated RE efforts. RI works closely with other PUCs in New England in these efforts. He said the development of the SEP comes at a good time because the regional is looking at what to do about the gas & electric market. They are highly integrated and there are supply constraints. There should be market based solutions.

Danny M. asked the group if they had data on storage and smart grid. Bob C. said that was very important. Jerry E. said that ISO is making wind energy fully dispatchable by December of 2014, and there is a lot of work surrounding this. Abigail A. said that Environment Northeast (ENE) & the EERMC are working on non wires alternatives for transmission upgrades. Marion G. mentioned a pilot in Tiverton and Little Compton that looks to integrate RE & EE to defer transmission upgrades.

Bob T. suggested a glossary of energy terms would be useful for the AC. Understanding some of the energy terminology can be rather complex. Marion G. thought it was a good suggestion.

The next AC meeting will be held in December. Two questions that the OER would like the AC to answer are:

- What changes or additions would you like to see to the proposed scope of work.**
- What are the top three quantifiable goals RI should set for each of the following area: electricity, heating and transportation.**

OER would like AC member to e-mail their responses to the OER by November 28th. OER will set up a straw man list of goals. NASEO has suggested RI have specific short term goals and then have longer term, more ambitious goals. The first implementation group will be transportation.

Julian D. said that input is needed on the sources as well as the choices. Danny M agreed. The AC needs to car about the resources used. Criteria needs to be developed to identify sources. Danny M. said we should not pursue RE because it is RE, we should be pursuing it because it meets the criteria. Bob C., citing Hurricane Sandy, said he cares about the sources as it relates to climate change. The energy plan should address potential sea level rise issues. The sources of energy are very important.

Peter H. from the Department of Transportation said that the AC

should consider including mass transit agencies like RIPTA & MBTA in the discussion. Danny M. said they would go on the list serve. Jerry E. said that transportation is RI's largest carbon contributor and, in RI, the largest user. You can't address climate change unless transportation is included. Julie G. wondered why methane is not being discussed in the climate change debate. She said it was 27 times worse than carbon for climate change. Bob T. warned about stressing any one gas emitter. If you only focus on carbon you miss the point.

Bill F. was concerned about how the AC sets goals, in their homework assignment, without the data. He is concerned about setting a goal and then backing up and supporting it with the right data collection. He would rather have an objective evaluation. He wants to addresses the environmental issues surrounding the transportation sector vs. other energy options. Julie G. said that transportation impact the price of everything. In response to Bill F.'s concerns, Danny M. said that the AC will not being using data to support pre-set goals. The reason for the homework assignment is to jump star the process which is time sensitive. Bill F. feels transportation is the most important sector. He said unless we know what the infrastructure is for alternative vehicles, we don't really know if the goals are feasible.

Bob C. wanted to scratch the 2035 date. Do we need to have a date and does it have to be so far out? The sense of urgency seems to be

missing. Abigail A. said the assignment is to look at quantifiable goals.

Chris K. is going to send out a revised doodle calendar to determine when the best day & time is for the December meeting and for meetings for the next six months.

The meeting was adjourned at 2:30 PM